GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:268
ANSWERED ON:25.02.2016
Use of Coal in Power Generation
Ramachandran Shri Krishnan Narayanasamy

Will the Minister of POWER be pleased to state:

(a) whether the Government has any mechanism to assess the total quantity of coal used for purpose of power generation in the country, if so, the details thereof;

(b) the details of estimated cost of production of power per unit from this source;

(c) whether it is a fact that thermal power is not cost effective, if so, the details thereof; and

(d) the steps taken by the Government to reduce the cost of production of power from this source?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL AND NEW & RENEWABLE ENERGY

(SHRI PIYUSH GOYAL)

(a) : The Central Electricity Authority (CEA) has issued on 15th January, 2015 the norms for annual coal consumption in thermal power plants at 85% Plant Load Factor (PLF) for different grades of coal. The details of the norms is given at Annex.

(b) : The cost of production of coal based power plants depends on various factors i.e. grade/ gross calorific value (GCV) of coal, moisture content, ash content, distance from mine to plant and unit size of the power plant etc. In addition, the cost of power production for the coal based power plants designed on imported coal depends on various factors such as country of origin of coal, GCV, moisture content, ash content, Ocean freight, distance of plant from the port etc. As per CERC Annual Report 2014-15, the tariff for coal based power plants of central generating stations under the regulated tariff regime varied from Rs. 1.58 per kWh to Rs. 5.53 per kWh.

(c) : Coal based thermal power plants are cost effective and get scheduled as per their merit order. During the year 2015-16 (upto January, 2016), coal based generation was around 77% of the total power generation in the country.

(d) : In order to reduce cost of power generation from coal based power plants, the Government has taken various measures viz. coal linkage rationalisation, coal swaps, correction in coal grade slippage by introducing independent third party sampling and allocating coal linkages at notified price etc. In addition, replacing the old inefficient thermal generating units by super critical units and Renovation & Modernisation / life extension of old inefficient units is also being undertaken to reduce cost of power generation.

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